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STATISTICAL BULLETIN

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— CONTENTS —

Comment	2-3
Status of Leading Economic Indicators	4
Diffusion Indexes	5
Business Executives' Expectations	5
Capital Appropriations	6
Key Determinants of Profit Margins	7
Economic Forecasts	8-9
Selected International Comparisons	10-11
Perspective on The Federal Budget	12
Fiscal Thrust	12
Money Supply and Monetary Policy	13
Help-wanted Advertising Indexes	14
Consumer Confidence and Buying Plans	15
Discretionary Spending	15
Automobile Sales	16

THE CONFERENCE BOARD

comment

The economy looks a lot healthier right now than anyone thought it would only a short while ago. In fact, the trough might well be behind us, which would mark the 1980 recession as very steep but very short. At the start of the recession, consumer market activity was quite weak but investment activity was surprisingly strong. As the recession draws to a close, consumer market activity appears to be gathering strength for a recovery but investment activity has lost its momentum. And, if a recovery is indeed getting under way, it is doing so in the absence of any overt economic stimulus. Monetary and fiscal policy are, at the moment, in a restrictive anti-inflationary stance.

Consumer demand weakened earlier this year as inflation stripped purchasing power from consumer income, credit-financed buying fell sharply as consumers concentrated on liquidating debt, and consumer attitudes deteriorated in response to widespread reports of recession. By the late Summer, however, the economic news reports were not nearly as gloomy as they had been in late Spring, especially with regard to news about layoffs and rising unemployment. Consequently, consumer attitudes have recovered considerably. The Conference Board's *Consumer Confidence Index* appears to have bottomed out in May at 42.1 (1969-1970 = 100). By August, it had recovered to 65.8, but was still far short of the levels in the low 80's recorded at the end of 1979.

From April to June, consumers were repaying debt at about the same quick pace as that at which they had borrowed one year earlier. In July, however, the pace of repayment slowed considerably. The ratio of installment debt expansion to personal income—which had peaked at about 3% at the end of 1979—was -2% in May and June climbing to only -0.3% in July.

The data charted on *Key Determinants of Profit Margins* show that real compensation per hour has been declining ever since the second quarter of 1978. In the second quarter of 1980, however, the rate of decline was half of what it was three months earlier, due—as the chart indicates—to an abatement of the inflation rate. If the purchaisng power of paychecks continues to improve, consumer demand may build up a head of steam and power in the 1980 recovery similar to what occurred in the 1975 recovery. If not . . . .

Retail sales, adjusted for inflation, were about 5% higher in August than in May. Moreover, a fair amount of that improvement seems to have been in sales of the cyclically sensitive durable goods, most especially cars. New domestic *Automobile Sales* were up in June, July and again in August. Moreover, the foreign share of the market dropped in August, reversing a long trend. The 1980 model year is closing on a strong note.

While consumer demand may be poised for a rebound, investment demand is going nowhere but down. The Conference Board's survey of *Capital Appropriations and Expenditures* by the nation's 1,000 largest manufacturers showed a sharp drop in appropriations in the second quarter. In addition, the survey respondents' expectations are for further declines in the second half of 1980.

Slightly higher retail sales together with a continued slide in industrial production led to slightly lower inventory-sales ratios in July. If current inventory levels are maintained, production may rise in response to improved retail sales. If so, however, attempts later on to return to the leaner inventory-sales ratios achieved in the last expansion period might have some moderating impact on the 1981 recovery.

The composite index of *Leading Economic Indicators* rose substantially in June and July. These data clearly imply that if the recession is not in fact already over, the worst of it is definitely behind us. Half of the *Economic Forecasts* are indicating that economic activity will rise from the third quarter of this year to the fourth, although not by much.

The *Economic Forecasts* appear to be considerably more optimistic at present than they were only a short while ago. The median of the forecasts for real GNP now shows a seasonally adjusted decline of

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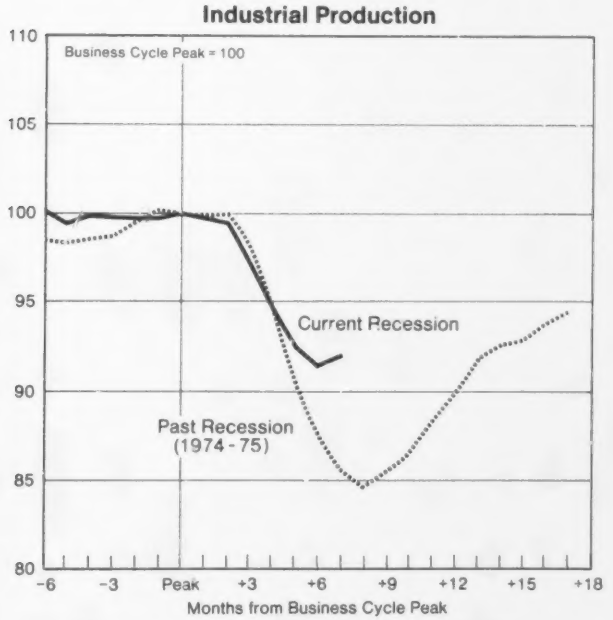
3.6% (at an annual rate) for the third quarter of 1980. Only two months ago, the median forecast was for a 5.9% drop in this quarter. Half the models show a slight rise in real output in the fourth quarter, while half indicate a slight decline. Further, activity is now anticipated to be positive but sluggish in the first quarter of 1981. Then, in the second quarter of 1981, a rather vigorous expansionary phase of the cycle is expected to get under way and continue at least through the second quarter of 1982.

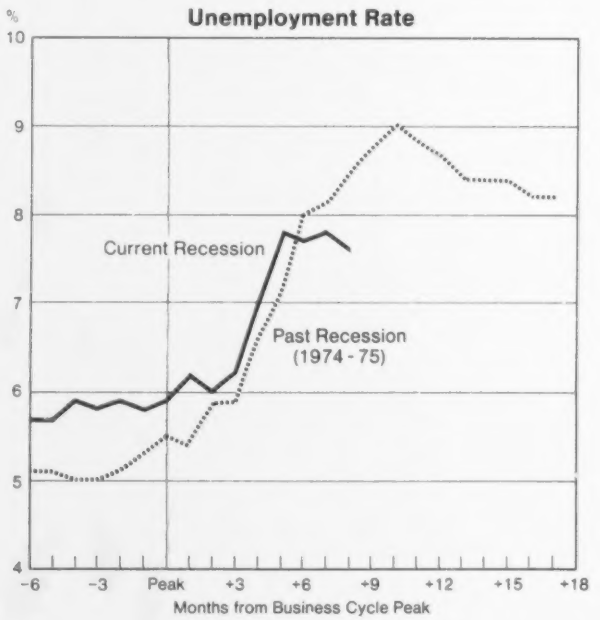
While the *Economic Forecasts* are now indicating that economic activity is beginning to pick up in pace, that pace is not expected to be quick enough to prevent some further rise in unemployment. The median forecast says that the national unemployment rate averaged 8.1% in the third quarter and will probably rise to 8.4% by the first quarter of 1981.

Over a year ago, we said in this space that declining activity always eases price pressures, and usually at the expense of narrowing profit margins. Inflation clearly has abated somewhat, and it is just as clear on the *Key Determinants of Profit Margins* chart that margins have indeed narrowed. The problem, however, is that the converse is also true—as activity picks up in pace so too will inflation. The *Economic Forecasts* indicate that inflation, as measured by the implicit price deflator for GNP, improved to a mere 8½% in the third quarter of this year and is likely to rise to 9% by the middle of next year.

The slowdown in economic activity eased credit demand. Data on commercial and industrial loans as well as on consumer installment credit show marked slowing over the last few months. That translated into slow growth of the monetary aggregates as well as declines in interest rates in general. In August, however, the money supply expansion accelerated. In the past, increased money supply growth would have meant a rise in loanable funds which would have exerted downward pressure on interest rates. In August, though, interest rates once again started to rise—no doubt because of renewed concern over accelerating inflation. The Federal Funds rate—the rate at which banks borrow from other banks—had declined to as low as 9.68% in late July, and was still at only 8.85% in mid-August. By the end of August, it had jumped to 10.47 percent. Monetary policy formulation, faced with the dilemma of trying to accommodate a recovery in activity while limiting an inflationary acceleration, seems to be intent on the latter. This has benefits for the value of the currency. The trade-weighted average *Exchange Rate* of the dollar against other major currencies had dropped in July to 19.1% below June, 1970 parities. In August, that figure improved to 18 percent.

Ken Goldstein





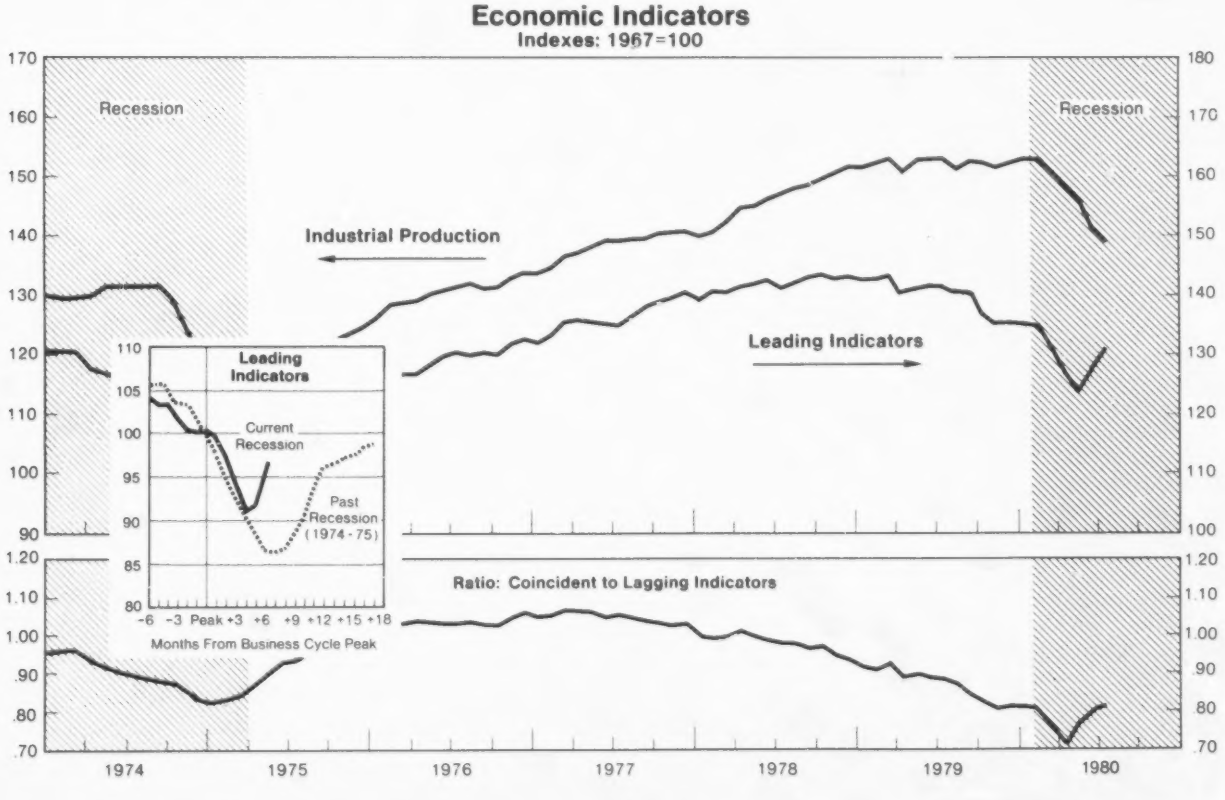
Note: August, 1974 is charted as the peak month for the 1974 - 75 recession.
January, 1980 is charted as the peak month for the current recession.

STATUS OF LEADING ECONOMIC INDICATORS

		Rising	Level	Declining	Change over latest three months	Change From Year-Ago
		(Classification based on movement of series over several months)				
Leading Economic Indicators	July		X		+ 3.6%	— 7.4%
Capital Investment Commitments						
*Contracts & orders, plant & equipment (deflated)	July			X	— 2.0%	— 8.3%
New orders, nondefense capital goods (deflated)	July			X	— 6.7%	— 8.0%
*Net business formation	May			X	— 7.3%	— 7.8%
*Housing permits	July	X			+56.7%	—19.1%
Inventory Investment and Purchasing						
*New orders, consumer goods & materials (deflated)	July		X		+ 5.5%	—10.7%
*Change in inventory, on hand & order (deflated)	June		X		— 0.4%	—26.1%
Purchasing agents' buying policy	Aug.			X	— 5 %	—15 %
*Vendor performance, reported slower deliveries	July			X	—20 %	—46.7%
Industrial raw materials prices	Aug.			X	+ 4.4%	— 2.4%
*Change in sensitive prices	July		X		— 0.8%	— 1.9%
Sensitive Financial Flows						
*Money balance (M1-B deflated)	July		X		+ 1.8%	— 3.7%
Change in business loans	Aug.	X			+67.3%	— 2.0%
*Change in liquid assets	July		X		— 0.1%	— 0.4%
Change in consumer installment debt	June			X	—58.8%	—72.3%
Profitability						
Total corporate profits, after tax (deflated)	2nd Q			X	—19.9%	—15.1%
*Common stock prices	Aug.	X			+14.1%	+14.4%
Marginal Employment Adjustments						
*Average workweek, mfg.	July		X		-- 0.7hr.	— 1.1hr.
Initial unemployment claims (inverted)	July		X		5.8%	—35.7%
*Layoff rate, mfg. (inverted)	July		X		+ 1.2	— 0.5

Note: For a description of the Leading Indicators Composite Index see Bureau of Economic Analysis, *Business Conditions Digest*, (Washington, D.C.: Government Printing Office) November, 1975, page V.

*These twelve series make up the Composite Leading Index charted below.



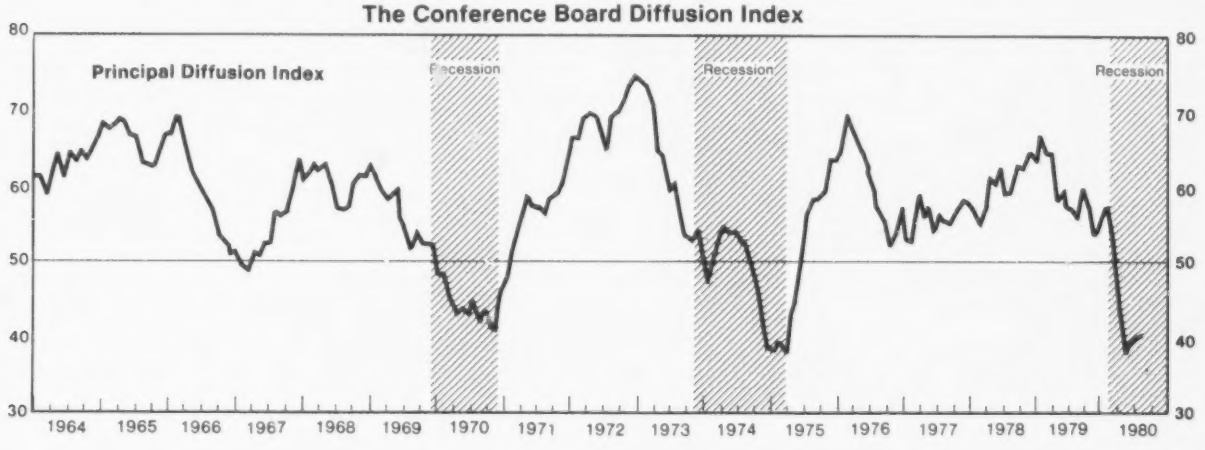
CONFERENCE BOARD DIFFUSION INDEXES

DIFFUSION INDEXES	1979 July	1980 Apr.	1980 May	1980 June	1980 July(e)
Principal Diffusion Index	57.3	43.4r	38.4r	39.8r	42.8
Auxiliary Diffusion Index	49.6	30.5r	33.8r	54.6r	59.5
Industrial Group	51.6	36.1	30.2	32.1r	34.7
Nonindustrial Group	62.9	50.8r	46.7r	47.6r	50.8
Sense of Diffusion	1.0	0	—1.0	—1.0	0
SUBGROUP DIFFUSION INDEXES					
Industrial Subgroups					
Production	58.8	41.9	34.2	27.4r	26.9
Labor	45.4	34.2	29.4	36.0	40.5
Miscellaneous	56.4	32.1	26.3	29.5	32.1
Nonindustrial Subgroups					
Prices	75.6	54.5	52.6	50.6	57.1
Consumer	70.5	64.1	59.0	59.4r	64.5
Building	44.9	27.6	21.8r	32.1	37.8
Miscellaneous	59.0	50.4r	47.0r	44.0r	41.5

Note: The principal diffusion index reflects the frequency of rises in 20 component series over the 12-month period ending in the month indicated. The index is based on the direction of change, not the magnitude of change, from month to month. Each component series carries equal weight in the index, but the direction of recent changes is weighted more heavily than are earlier changes. If, for example, 10 component series rose and 10 declined in each of the last 12 months, the current index would register 50. On the other hand, if all 20 series rose in each of the last six months after declining in each of the prior six months, weighting would make the current index considerably greater than 50. See Morton Ehrlich, "Using The Conference Board's Diffusion Indexes," The Conference Board *RECORD*, July, 1966.

p—preliminary e—estimate r—revised

The Conference Board Diffusion Index



BUSINESS EXECUTIVES' EXPECTATIONS

	1977 Nov.	1978 Feb.	1978 May	1978 Aug.	1978 Nov.	1979 Feb.	1979 May	1979 Aug.	1979 Nov.	1980 Feb.	1980 May
	Score (scale 0-100)										
Measure of Business Confidence	52	52	58	49	40	43	41	32	32	40	29
1. Appraisal of Current Economic Conditions Compared With Six Months Ago	48	46	60	58	45	47	47	28	29	36	16
2. Expectations for Economy, Six Months Ahead	49	49	54	42	33	36	33	29	29	38	31
3. Expectations for Own Industry, Six Months Ahead	58	59	60	49	43	46	43	39	38	45	40

The Measure of Business Confidence is the average of the scores for the three primary questions in the survey. Respondents have five reply options for each question; a score for each question is determined by assigning the following values to the replies and calculating the average value of the replies to the question: Substantially Better—100; Moderately Better—75; Same—50; Moderately Worse—25; Substantially Worse—0. The score for each question, and the overall Measure of Business Confidence, thus can range from 0 to 100.

CONFERENCE BOARD ESTIMATES OF CAPITAL APPROPRIATIONS AND EXPENDITURES BY MANUFACTURERS AND INVESTOR-OWNED UTILITIES

Billions of Dollars, Seasonally Adjusted

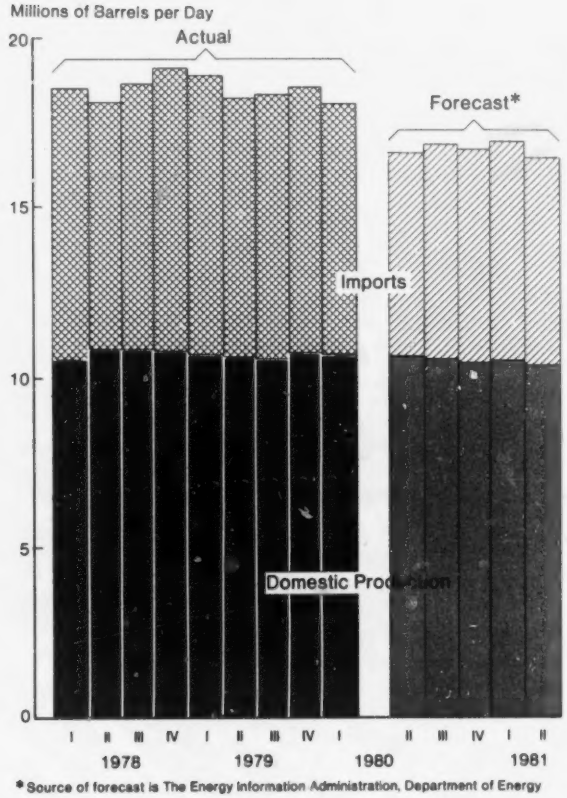
	1979			1980		1981					
						PROJECTIONS					
	IIr	IIIr	IVr	Ir	IIp	III	IV	I	II	III	IV
1000 LARGEST MANUFACTURING FIRMS											
New appropriations	21.201	22.688	23.279	29.503	25.761	16.1	15.0	17.7	18.2	17.2	17.2
Capital expenditures	17.566	18.707	19.647	21.296	21.426	19.3	20.1	20.1	19.7	18.9	18.1
Change in appropriations backlog*	+2.317	+3.496	+3.216	+7.424	+3.624	−5.0	−6.6	−3.8	−3.1	−3.3	−2.6
Durable Goods											
New appropriations	10.627	10.488	11.470	14.420	9.625	7.7	6.5	6.4	6.7	7.1	7.4
Capital expenditures	8.361	9.099	9.647	10.316	10.213	9.3	9.2	8.7	7.8	7.0	6.3
Change in appropriations backlog*	+1.995	+1.321	+1.838	+3.524	−0.863						
Nondurable Goods											
New appropriations	10.574	12.200	11.809	15.083	16.136	8.4	8.5	11.3	11.5	10.1	9.8
Capital expenditures	9.205	9.608	10.000	10.980	11.213	10.1	10.9	11.4	12.0	11.9	11.8
Change in appropriations backlog*	+0.322	+2.175	+1.378	+3.900	+4.487						
ELECTRIC & GAS UTILITIES											
New appropriations	6.763	10.913	8.811r	15.215p							
Capital expenditures	7.149	7.139	7.031r	7.317p							
Change in appropriations backlog*	−1.737	+3.276	−7.273r	+5.286p							

Note: Historical data from 1953 (manufacturing) and from 1958 (utilities) are available on request. Projections are based on The Conference Board's capital appropriations forecasting model.

r—revised p—preliminary

* Change in Backlog = New Appropriations — (Expenditures + Cancellations + Other Adjustments)

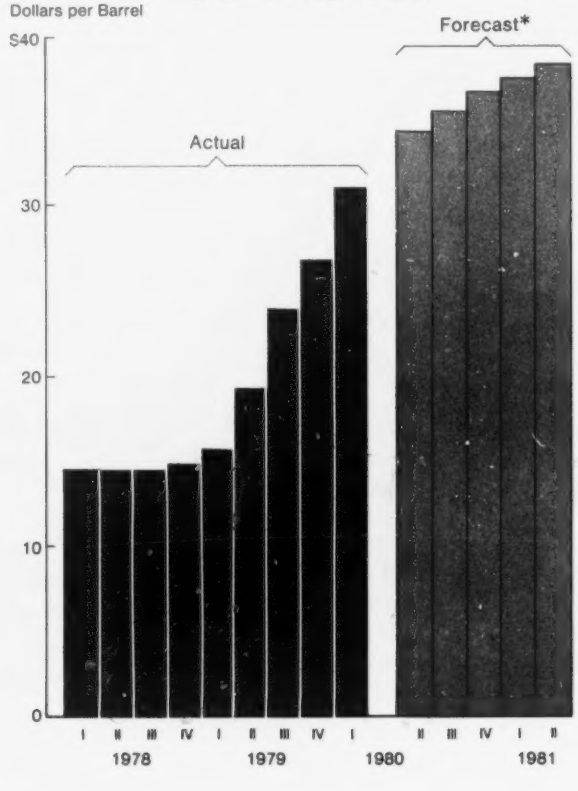
Oil Supply



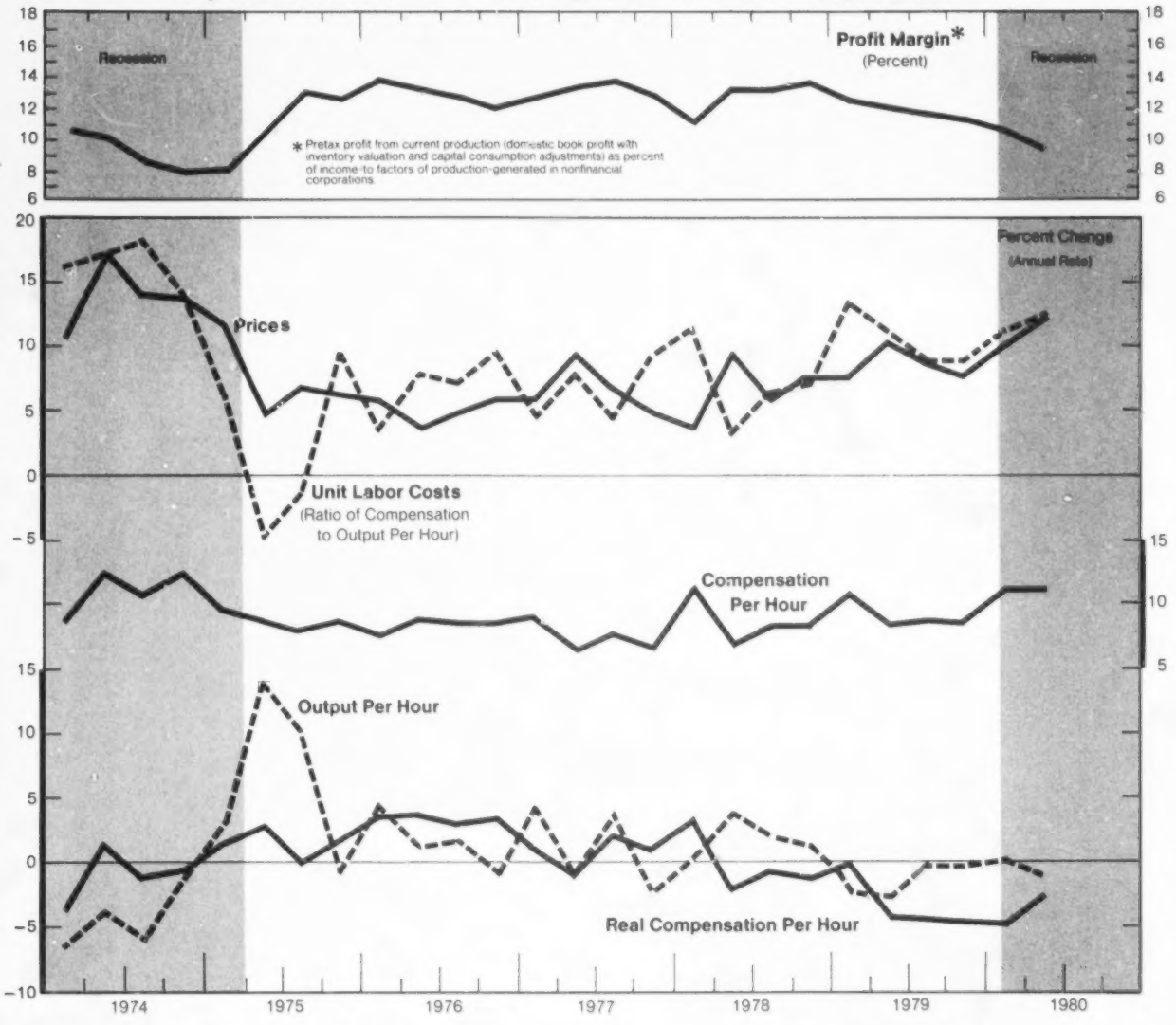
* Source of forecast is The Energy Information Administration, Department of Energy

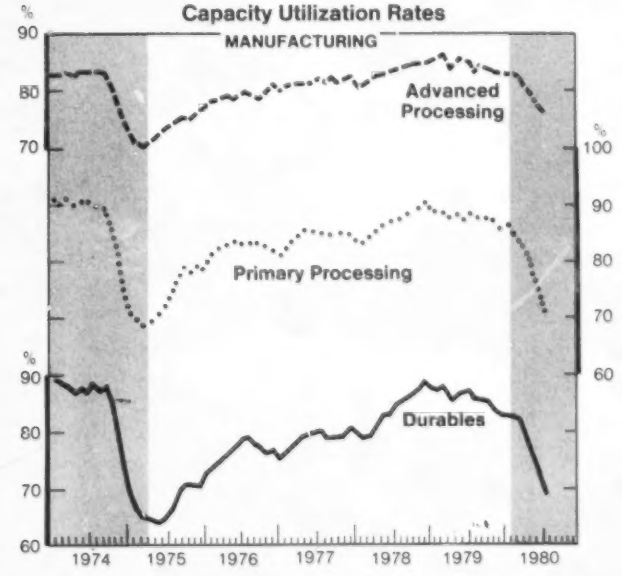
Cost of Imported Oil

(Refiners Cost per Barrel)



Key Determinants of Profit Margin, Nonfinancial Corporations





Seasonally Adjusted

ECONOMIC FORECASTS

			ASA-NBER Survey of Regular Forecasters[1]		Merrill Lynch Economics Inc.[2]		Kent Economic Institute[2]		Michigan Research Seminar in Quantitative Economics[1]	
Date of Forecast			*Aug., 1980*		*Aug., 1980*		*Aug., 1980*		*Aug., 1980*	
			Level	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*
Gross National Product Current Dollars										
Actual	**1980**	**II**			**$2524.6**	**0.6%**	**$2524.6**	**0.6%**		
Forecast	1980	III	$2549.5	4.3%	2560.7	5.8	2572.7	7.8	$2544.4	3.4%
		IV	2602.5	8.6	2603.6	6.9	2651.4	12.8	2603.2	9.6
	1981	I	2667.0	10.3	2666.8	10.1	2714.2	9.8	2680.7	12.4
		II	2743.5	12.0	2747.1	12.6	2808.8	14.7	2775.5	14.9
		III	2846.5	15.9	2833.2	13.1	2920.7	16.9	2862.4	13.1
		IV			2918.6	12.6	3031.8	16.1	2949.6	12.8
	1982	I			3002.1	11.9	3081.6	6.7	3026.0	10.8
		II			3070.0	9.4	3182.2	13.7		
	1980	Annual	2548.9	7.6	2552.4	7.8	2567.4	8.4	2548.0	7.6
	1981	Annual			2791.4	9.4	2868.9	11.7	2817.1	10.6
Gross National Product Constant (1972) Dollars										
Actual	**1980**	**II**			**$1410.9**	**−9.0%**	**$1410.9**	**−9.0%**		
Forecast	1980	III	$1395.9	−4.0%	1401.7	−2.6	1408.9	−0.6	$1395.7	−4.2%
		IV	1393.5	−0.7	1396.7	−1.4	1418.6	2.8	1396.2	0.2
	1981	I	1404.8	3.3	1406.2	2.7	1426.3	2.2	1405.0	2.5
		II	1415.7	3.1	1426.2	5.8	1438.2	3.4	1421.1	4.7
		III	1430.4	4.2	1447.2	6.0	1453.1	4.2	1433.6	3.6
		IV			1465.6	5.2	1468.2	4.2	1445.6	3.4
	1982	I			1482.2	4.6	1480.1	3.3	1455.9	2.9
		II			1494.0	3.2	1498.2	5.0		
	1980	Annual	1411.1	−1.4	1413.5	−1.3	1420.8	−0.8	1411.9	−1.4
	1981	Annual			1436.3	1.6	1446.4	1.8	1426.3	1.0
Gross National Product Deflator Index, 1972 = 100										
Actual	**1980**	**II**			**178.9**	**10.6%**	**178.9**	**10.6%**		
Forecast	1980	III	182.5	8.3%	182.7	8.6	182.6	8.5	182.3	7.9%
		IV	186.7	9.5	186.4	8.4	186.9	9.8	186.4	9.4
	1981	I	190.6	8.6	189.6	7.1	190.3	7.5	190.8	9.7
		II	194.7	8.9	192.6	6.4	195.3	10.9	195.3	9.8
		III	198.8	8.7	195.8	6.7	201.0	12.2	199.7	9.2
		IV			199.1	7.1	206.5	11.4	204.0	9.1
	1982	I			202.5	7.0	208.2	3.3	207.8	7.7
		II			205.5	5.9	212.4	8.3		
	1980	Annual	180.6	9.2	180.6	9.2	180.7	9.2	180.5	9.1
	1981	Annual			194.3	7.6	198.3	9.7	197.5	9.4
Unemployment Rate										
Actual	**1980**	**II**			**7.5%**		**7.5%**			
Forecast	1980	III	8.0%		8.1		8.1		8.2%	
		IV	8.3		8.8		8.0		8.9	
	1981	I	8.5		8.9		7.7		9.2	
		II	8.3		8.7		7.2		9.2	
		III	8.1		8.3		7.0		9.0	
		IV			8.0		6.8		8.8	
	1982	I			7.8		6.7		8.6	
		II			7.6		6.4			
	1980	Annual	7.5		7.6		7.4		7.7	
	1981	Annual			8.5		7.2		9.0	

Notes: Percentage change represent compound annual rates of change from preceding period. Quarterly data are seasonally adjusted.

[1]Based on preliminary second quarter data.

[2]Based on revised second quarter data.

ECONOMIC FORECASTS (continued)

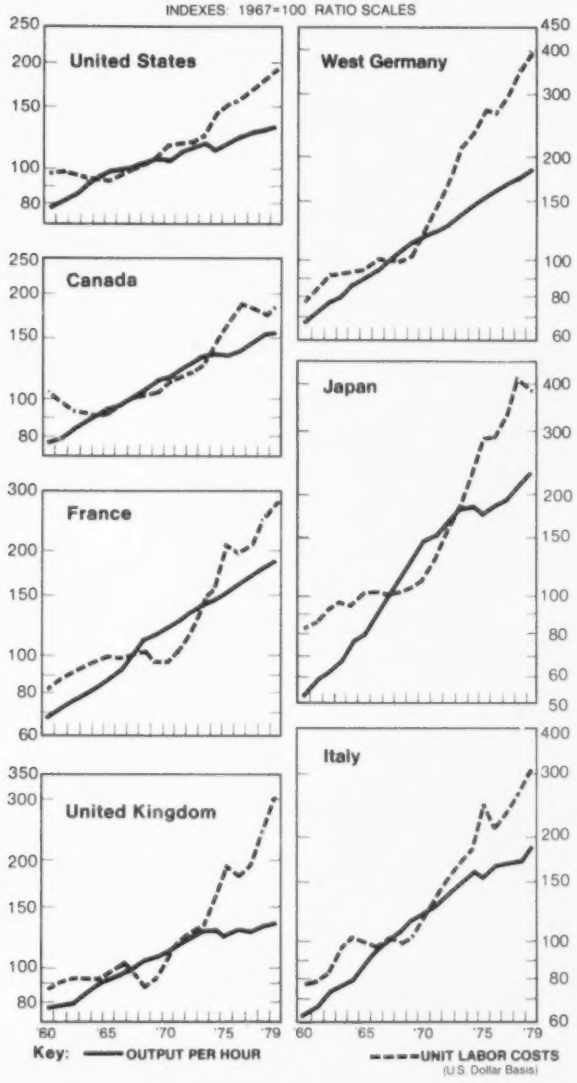
The Conference Board[1]		Chase Econometric Associates, Inc.[2]		Data Resources Inc.[3]		Wharton E.F.A. Inc.[4]				
July, 1980		*Aug., 1980*		*Aug., 1980*		*Aug., 1980*				
Level	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*	*Level*	*Percent Change*			
								Gross National Product Current Dollars		
		$2524.6	**0.6%**	**$2524.6**	**0.6%**	**$2524.6**	**0.6%**	**II**	**1980**	**Actual**
$2537.0	2.2%	2534.9	1.6	2557.7	5.3	2563.3	6.3	III	1980	Forecast
2589.0	8.5	2590.4	9.0	2606.7	7.9	2627.6	10.4	IV		
2661.0	11.6	2660.4	11.3	2673.0	10.6	2732.9	17.0	I	1981	
2752.0	14.4	2746.0	13.5	2751.3	12.2	2814.7	30.6	II		
2819.0	10.1	2820.5	11.3	2853.2	15.7	2899.1	12.5	III		
2887.0	10.0	2901.7	12.0	2956.8	15.3	2989.7	13.1	IV		
		2984.9	12.0	3059.1	14.6	3081.1	12.8	I	1982	
		3080.2	13.4	3162.9	14.3	3167.3	11.7	II		
2542.5	7.3	2542.7	7.3	2552.4	7.8	2559.1	8.0	Annual	1980	
2779.7	9.3	2782.1	9.4	2808.6	10.0	2859.1	11.7	Annual	1981	
								Gross National Product Constant (1972) Dollars		
		$1410.9	**—9.0%**	**$1410.9**	**—9.0%**	**$1410.9**	**—9.0%**	**II**	**1980**	**Actual**
$1389.1	—6.0%	1391.2	—5.5	1395.2	—4.4	1405.3	—1.6	III		Forecast
1392.6	1.0	1389.7	—0.4	1388.1	—2.0	1406.1	0.2	IV		
1405.2	3.7	1397.8	2.4	1392.9	1.4	1427.9	6.3	I	1981	
1425.4	5.9	1408.1	3.0	1402.7	2.8	1441.2	3.8	II		
1432.3	1.9	1418.3	2.9	1423.0	5.9	1455.7	4.1	III		
1436.5	1.2	1429.3	3.1	1440.2	4.9	1470.1	4.0	IV		
		1441.7	3.5	1457.0	4.7	1487.1	4.7	I	1982	
		1455.1	3.8	1474.5	4.9	1502.6	4.2	II		
1409.3	—1.6	1409.1	—1.6	1409.7	—1.5	1416.7	—1.0	Annual	1980	
1424.8	1.1	1413.4	0.3	1414.7	0.4	1448.7	2.3	Annual	1981	
								Gross National Product Deflator Index, 1972 = 100		
		178.9	**10.6%**	**178.9**	**10.6%**	**178.9**	**10.6%**	**II**	**1980**	**Actual**
182.6	8.7%	182.2	7.5	183.3	10.2	182.4	8.0	III	1980	Forecast
185.9	7.4	186.4	9.5	187.8	10.1	186.9	10.2	IV		
189.4	7.6	190.3	8.7	191.9	9.1	191.4	10.0	I	1981	
193.1	8.0	195.0	10.2	196.1	9.1	195.3	25.9	II		
196.8	8.0	198.9	8.1	200.5	9.2	199.2	8.1	III		
201.0	8.7	203.0	8.6	205.3	9.9	203.4	8.7	IV		
		207.0	8.2	210.0	9.4	207.2	7.7	I	1982	
		211.7	9.3	214.5	8.9	210.8	7.1	II		
180.5	9.1	180.5	9.1	181.1	9.5	180.7	9.2	Annual	1980	
195.1	8.1	196.8	9.0	198.5	9.6	197.4	9.3	Annual	1981	
								Unemployment Rate		
		7.5%		**7.5%**		**7.5%**		**II**	**1980**	**Actual**
8.2%		8.3		7.9		8.1		III	1980	Forecast
8.3		8.6		8.6		8.3		IV		
6.1		8.8		8.7		8.3		I	1981	
7.7		8.7		8.7		8.2		II		
7.5		8.8		8.6		8.2		III		
7.6		8.7		8.5		8.1		IV		
		8.6		8.3		8.0		I	1982	
		8.5		8.0		7.8		II		
7.5		7.6		7.5		7.5		Annual	1980	
7.7		8.7		8.6		8.2		Annual	1981	

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein or Ken Goldstein at (212) 759-0900

SELECTED INTERNATIONAL COMPARISONS

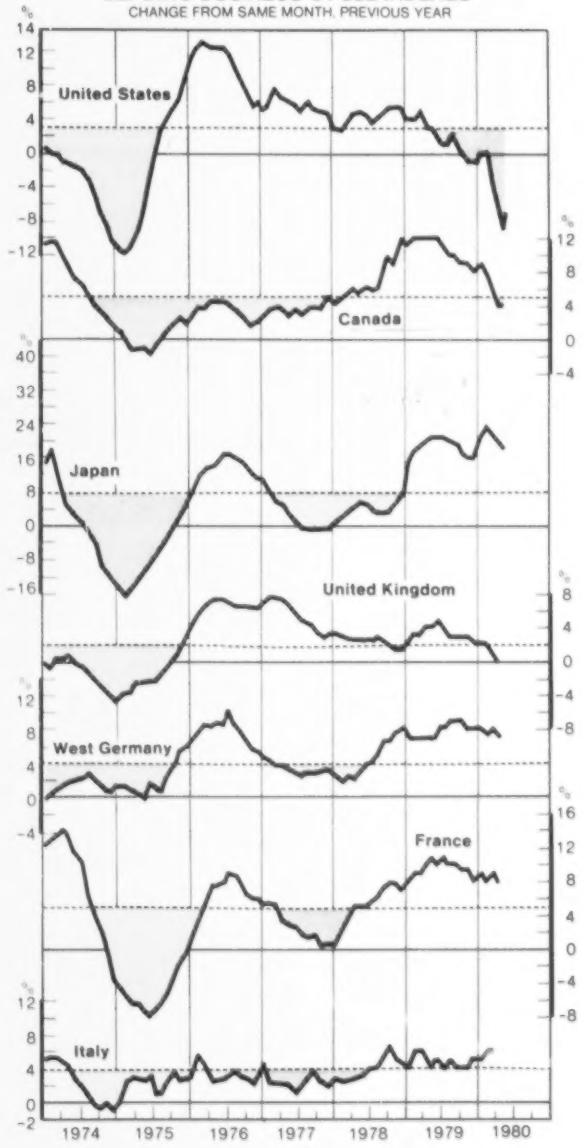
PRODUCTIVITY AND COSTS

INDEXES: 1967=100 RATIO SCALES



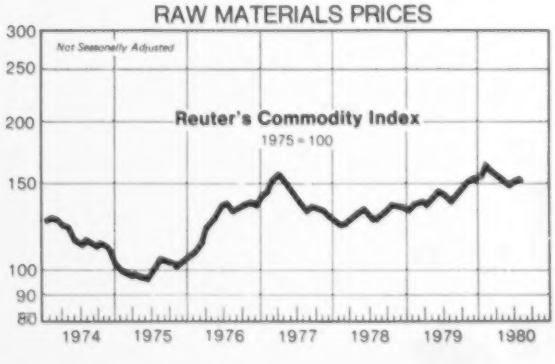
LEADING BUSINESS CYCLE INDEXES

CHANGE FROM SAME MONTH, PREVIOUS YEAR

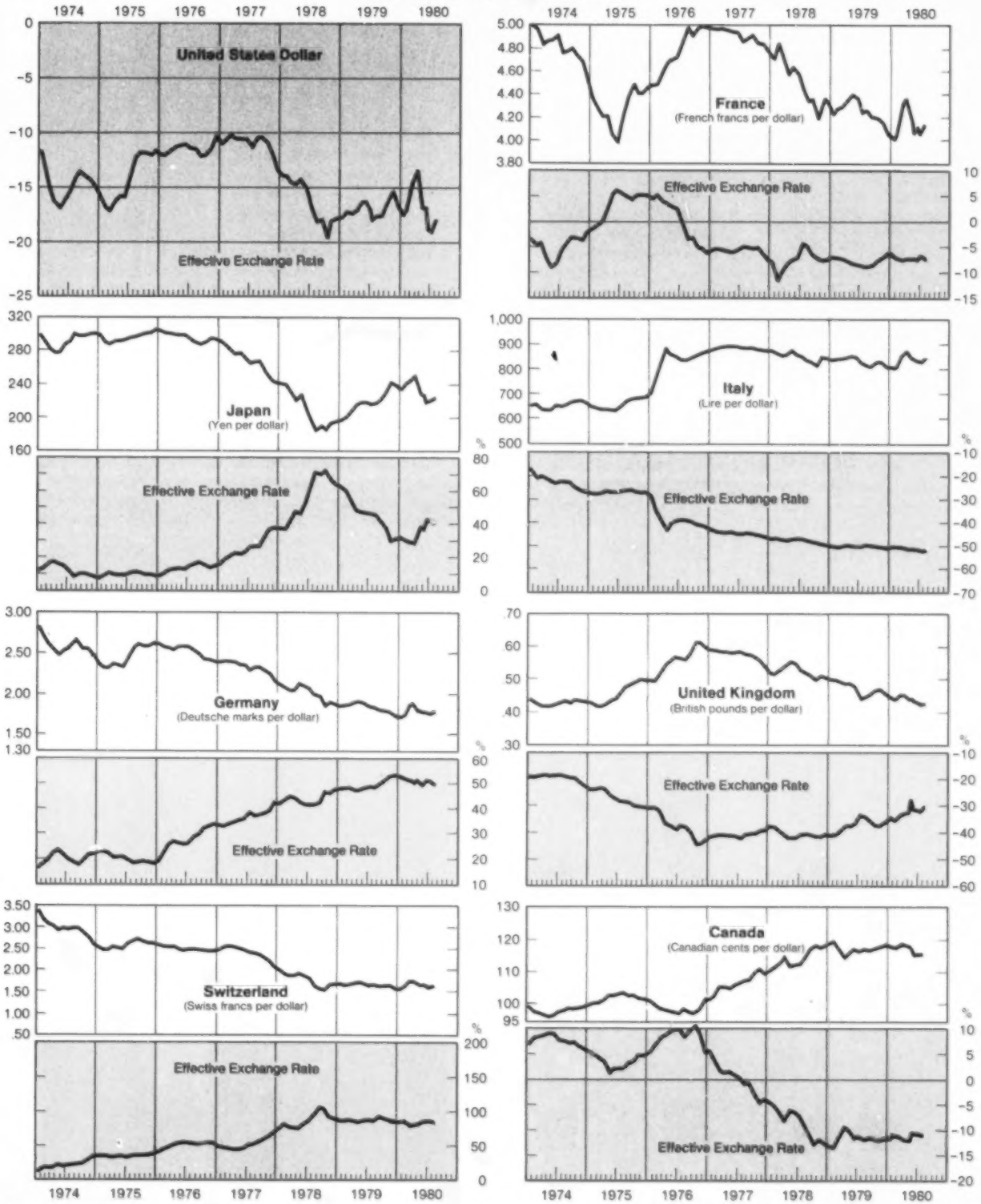


MERCHANDISE TRADE: VALUE OF EXPORTS

RAW MATERIALS PRICES



FOREIGN EXCHANGE RATES



Effective Exchange Rate for each country indicates changes vis-a-vis a group of 15 major currencies weighted according to the average bilateral manufactures trade of 1976; changes are in percent from pre-June 1970 parities, based on monthly averages of daily rates.

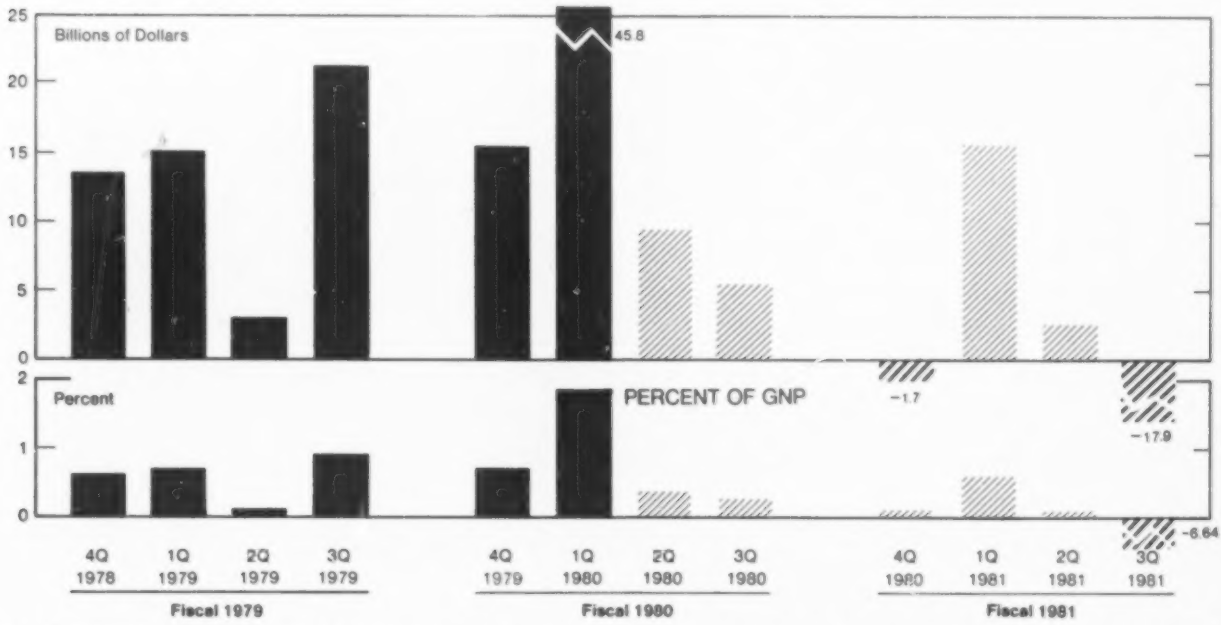
Source: Morgan Guaranty Trust.

PERSPECTIVE ON THE FEDERAL BUDGET
($ Billions)

	Fiscal 1980			Fiscal 1981		
	Current Services (1/22/79)	Latest President's Proposal (3/31/80)	Third Budget Resolution (6/12/80)	Current Services (1/28/80)	Latest President's Proposal (3/31/80)	First Budget Resolution (6/12/80)
Receipts	**$504.5**	**$532.4**	**525.7**	**579.0**	**628.0**	**613.8**
Outlays	**536.1**	**568.9**	**572.5**	**612.0**	**611.5**	**613.6**
Deficit	**−31.6**	**−36.5**	**−47.0**	**−33.0**	**+ 16.5**	**+ 0.2**
Receipts by source	504.5	532.4	525.7	579.0	628.0	613.8
Individual income taxes	229.6	241.5	241.0	273.3	279.9	283.1
Corporate income taxes	71.0	74.2	71.4	74.7	74.1	67.6
Social insurance	161.2	163.5	163.5	186.0	186.9	189.9
Other receipts	42.7	53.2	49.8	45.0	85.1	74.2
Outlays by function	**536.1**	**568.9**	**572.5**	**612.0**	**611.5**	**613.6**
Income security	179.5	190.0	191.7	219.9	220.1	219.6
National defense	125.5	134.0	135.7	142.4	150.5	153.7
Health	55.1	56.5	56.5	63.4	61.9	61.7
Education and manpower	31.0	30.1	29.9	32.5	30.6	29.5
Veterans' benefits	20.4	20.7	20.5	21.7	21.4	21.2
Transportation	18.0	20.5	20.1	20.1	19.0	18.8
Natural resources and environment	11.8	12.8	13.6	12.8	12.5	12.1
Revenue sharing	9.2	8.8	8.6	8.5	7.4	6.8
International affairs	7.9	11.1	10.5	9.6	10.1	9.5
Community development	7.2	9.0	9.7	8.5	8.5	9.2
Energy	8.0	6.8	6.4	7.1	6.9	6.8
General science	5.4	5.9	5.9	6.3	6.2	6.1
General government	4.2	4.8	4.4	4.9	4.8	4.3
Justice	4.3	4.6	4.4	4.7	4.6	4.6
Agriculture	5.0	5.1	5.9	3.2	2.0	2.3
Commerce and housing credit	3.4	6.2	6.1	0.8	0.4	0.0
Interest	57.1	64.3	65.1	68.4	68.4	72.2
Allowances	2.1	—	0.0	2.4	1.4	0.0
Undistributed offsetting receipts	−19.0	−22.2	−22.3	−25.1	−24.9	−24.7

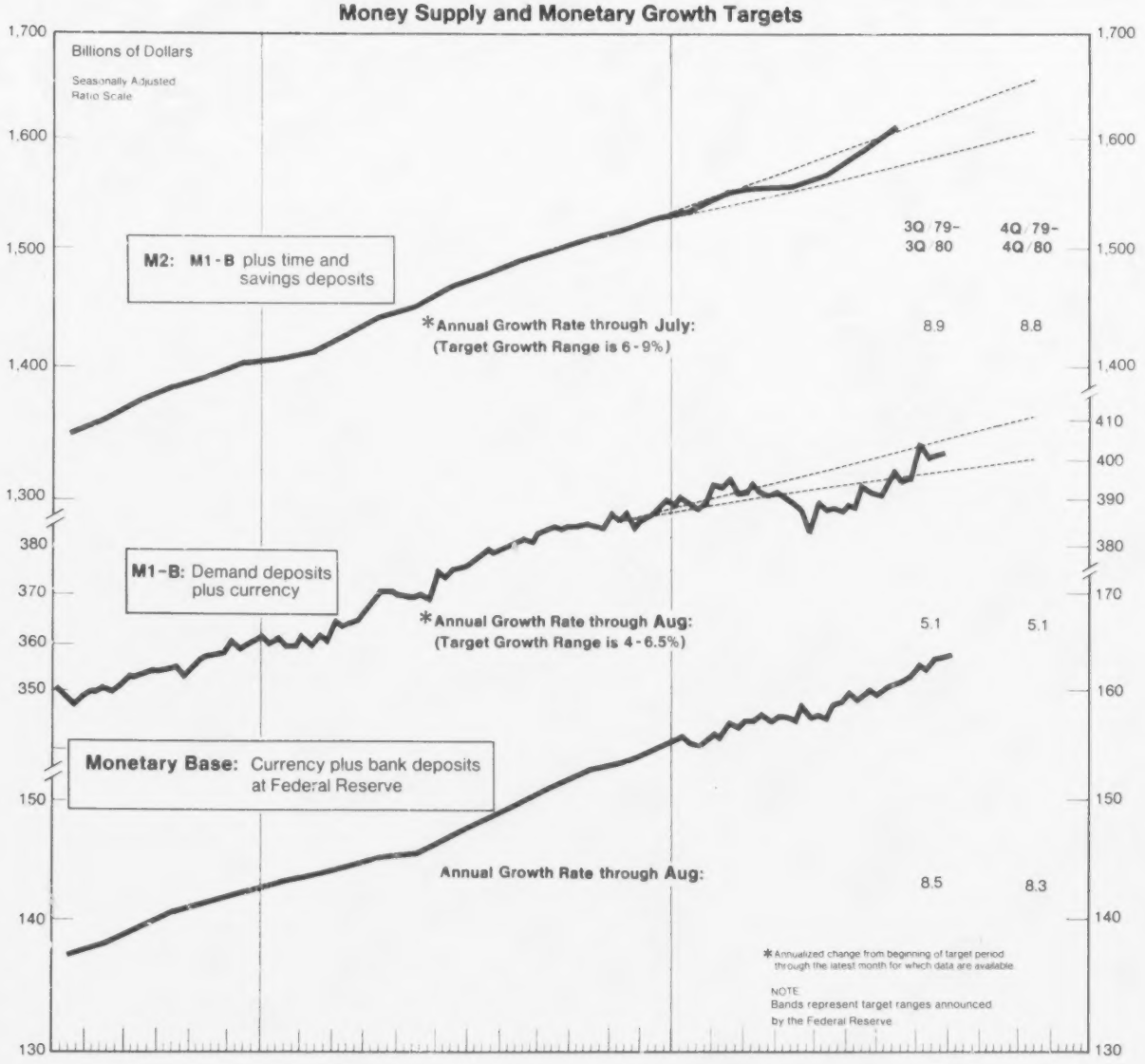
Sources: Office of Management and Budget; Congressional Budget Office.

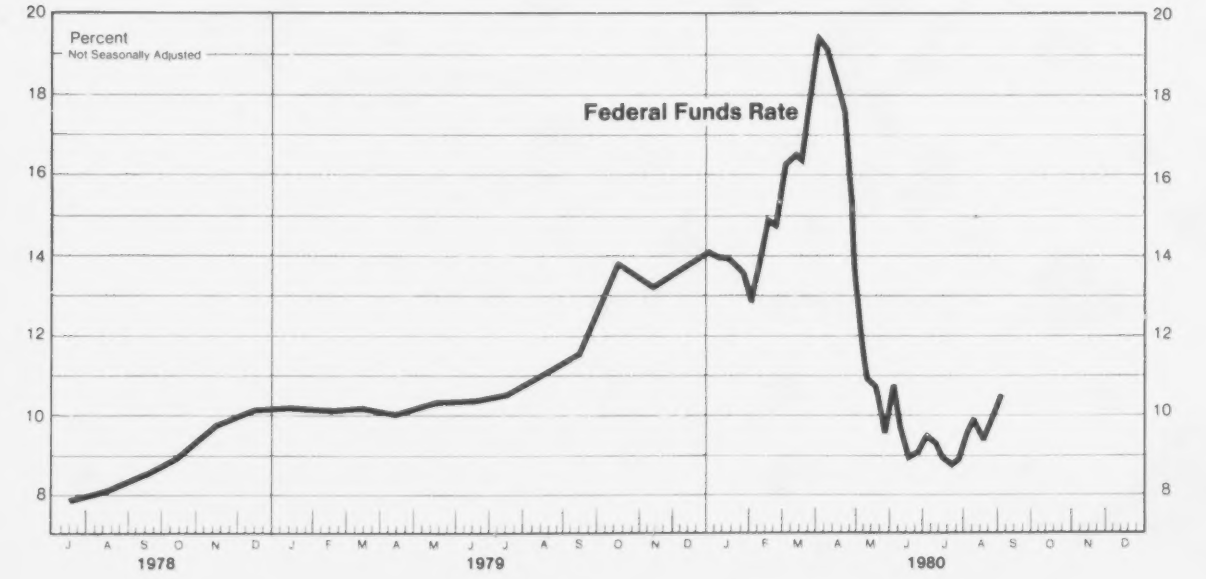
Fiscal Thrust



Note: The Conference Board has developed estimates of fiscal thrust which measure the initial economic impact of the budget which then results in subsequent rounds of spending associated with the "multiplier effect" within the private sector of the economy. For more complete descriptions, see Michael Levy, *The Federal Budget: Its Impact on the Economy*. Fiscal 1977, No. 2, The Conference Board, New York: 1976.

Money Supply and Monetary Growth Targets



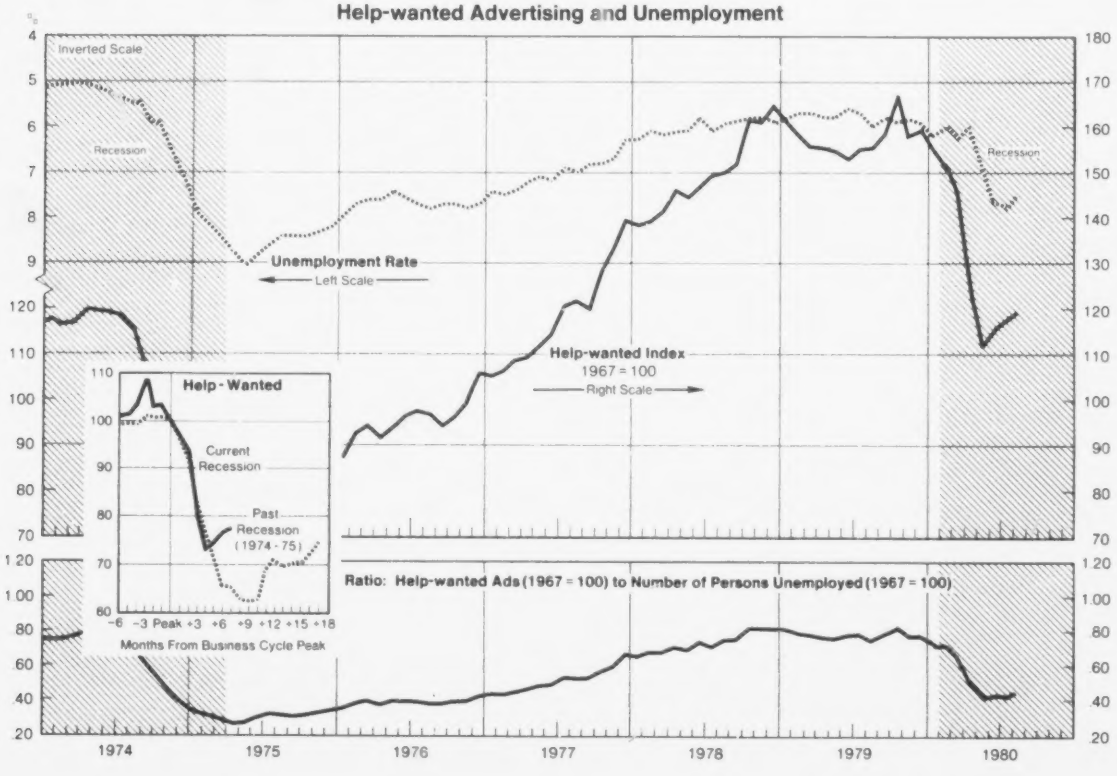


CONFERENCE BOARD HELP-WANTED ADVERTISING INDEXES

Seasonally Adjusted Indexes, 1967 = 100

	1980			1979
	July	June	May	July
Total Index 51 papers	118	115	112	155
New England	118	115	113	137
Boston	128	125	122	143
Hartford	126	125	130	150
Providence	77	74	69	103
Middle Atlantic	64	61	57	73
Albany	89	85	78	108
Allentown	148	110	100	161
New York	57	56	54	59
Philadelphia	60	57	49	73
Pittsburgh	73	69	71	96
Rochester	62	55	52	81
Syracuse	79	81	71	97
East North Central	69	70	69	122
Chicago	68	69	67	117
Cincinnati	106	108	100	165
Cleveland	62	64	61	121
Columbus	101	105	99	158
Dayton	60	67	64	96
Detroit	49	47	48	93
Gary	103	105	96	189
Indianapolis	73	78	85	140
Milwaukee	64	59	64	129
Toledo	83	86	88	143
West North Central	74	78	80	129
Kansas City	99	101	93	151
Minneapolis	77	80	87	152
Omaha	99	100	101	165
St. Louis	52	56	58	85
South Atlantic	129	127	117	155
Atlanta	184	182	170	225
Baltimore	87	88	74	115
Charlotte	103	104	96	141
Jacksonville	127	117	113	127
Miami	135	129	132	160
Richmond	68	87	83	111
Washington, D.C.	138	133	119	154
East South Central	115	110r	106r	156
Birmingham	123	125	119	172
Knoxville	171	175	183	188
Louisville	68	64r	59	113
Memphis	98	104	102r	138
Nashville	152	117	112	193
West South Central	259	248	240	296
Dallas	218	214	218	261
Houston	384	365	344	433
New Orleans	185	169	171	198
Oklahoma City	201	189	184	238
San Antonio	169	163	153	180
Tulsa	213	204	195	248
Mountain	246	242	236	367
Denver	217	206	184	314
Phoenix	271	287	270	409
Salt Lake City	267	250	289	412
Pacific	177	172	172	218
Los Angeles	154	154	148	190
Sacramento	247	233	239	316
San Bernardino	125	116	120	171
San Diego	296	274	265	354
San Francisco	181	174	182	208
Seattle	187	184	200	253
Percentage of papers with rising volume	59%	65%	4%	51%
Unemployment rate	7.8%	7.7%	7.8%	5.7%

Note: For definitions and method, see Noreen Preston, *The Help-wanted Index* (New York: The Conference Board, 1977).
r—revised n.a.—not available



CONFERENCE BOARD INDEXES OF CONSUMER CONFIDENCE AND BUYING PLANS

Indexes, 1969-1970 = 100
(Seasonally Adjusted)

Consumer Confidence Index

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1978	105.2	103.8	97.3	96.9	88.8	92.5	88.8	91.4	95.4	101.4	91.8	94.0
1979	91.7	91.4	84.9	82.2	80.8	78.5	70.0	69.0	78.2	83.6	83.0	80.8
1980	79.1	76.4	71.5	52.9	42.1	48.6	59.4r	65.8p				

Buying Plans Index

1978	134.3	120.7	124.3	109.5	97.1	121.7	91.2	104.0	104.2	116.9	106.4	103.1
1979	95.1	115.4	114.4	100.6	95.4	99.6	94.6	101.7	119.4	121.9	113.4	107.2
1980	99.2	107.0	116.4	85.3	76.2	89.0	90.2r	84.2p				

Confidence Index measures consumer optimism in appraising economic conditions. Buying Plans Index is based on intentions to purchase cars, homes, appliances. A description of these indexes appears in The Conference Board RECORD, September, 1973.

Surveys are conducted by National Family Opinion, Inc.

p—preliminary r—revised

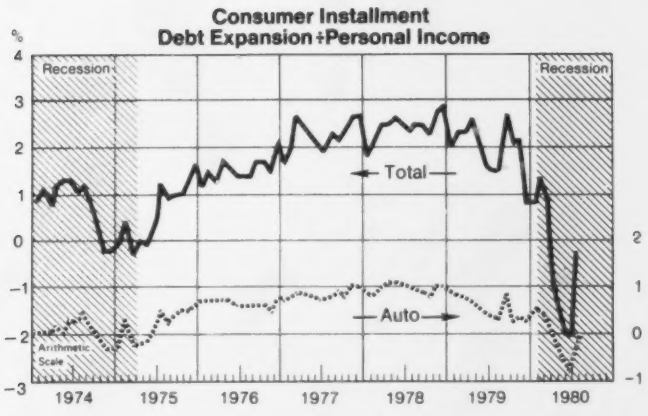
CONFERENCE BOARD ESTIMATES OF DISCRETIONARY PURCHASING POWER AND SPENDING

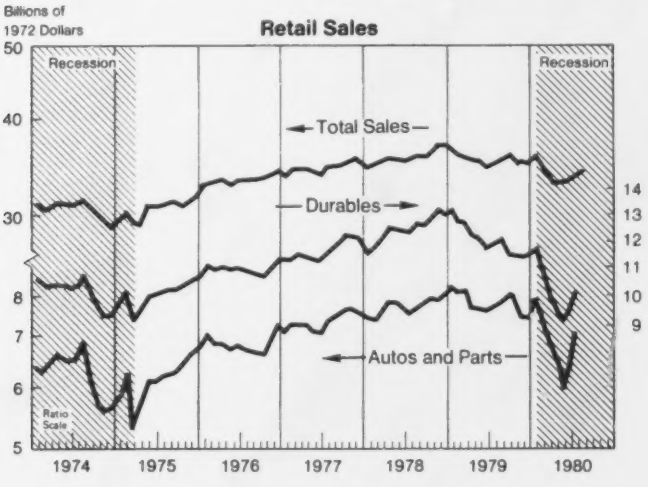
Billions of Dollars; Quarterly Data are Seasonally Adjusted at Annual Rates

		Aggregate Purchasing Power	Discretionary Purchasing Power	Discretionary Saving	Discretionary Spending	Discretionary Purchasing Power as % of Aggregate	Discretionary Spending as % of Aggregate	Discretionary Spending as % of Discretionary Purchasing Power
1975	I	$1075.2	$399.5	$ 67.5	$332.0	37.2%	30.9%	83.1%
	II	1155.6	469.7	125.2	344.5	40.6	29.8	73.3
	III	1160.5	453.4	125.8	327.6	39.1	28.2	72.3
	IV	1220.9	485.4	118.8	366.6	39.8	30.0	75.5
1976	I	1258.3	499.9	133.5	366.4	39.7	29.1	73.3
	II	1288.1	507.0	120.3	386.7	39.4	30.0	76.3
	III	1308.4	514.5	125.5	389.0	39.3	29.7	75.6
	IV	1343.4	533.7	118.2	415.5	39.7	30.9	77.9
1977	I	1394.3	560.4	139.4	421.0	40.2	30.2	75.1
	IIr	1432.2	583.3	143.2	440.1	40.7	30.7	75.4
	IIIr	1520.5	602.0	171.0	431.0	39.6	28.3	71.6
	IVr	1526.1	624.9	146.1	478.8	40.9	31.4	76.6
1978	Ir	1559.9	648.3	141.4	506.9	41.6	32.5	78.2
	IIr	1633.1	680.8	176.8	504.0	41.7	30.9	74.0
	IIIr	1672.4	693.1	184.2	508.9	41.4	30.4	73.4
	IVr	1701.4	690.9	150.3	540.6	40.6	31.8	78.2
1979	Ip	1746.1	712.2	149.5	562.7	40.8	32.2	79.0

Note: For an explanation of discretionary purchasing power and spending, see Morton Ehrlich, *Discretionary Spending*, (The Conference Board, 1966).

P—Preliminary R—Revised



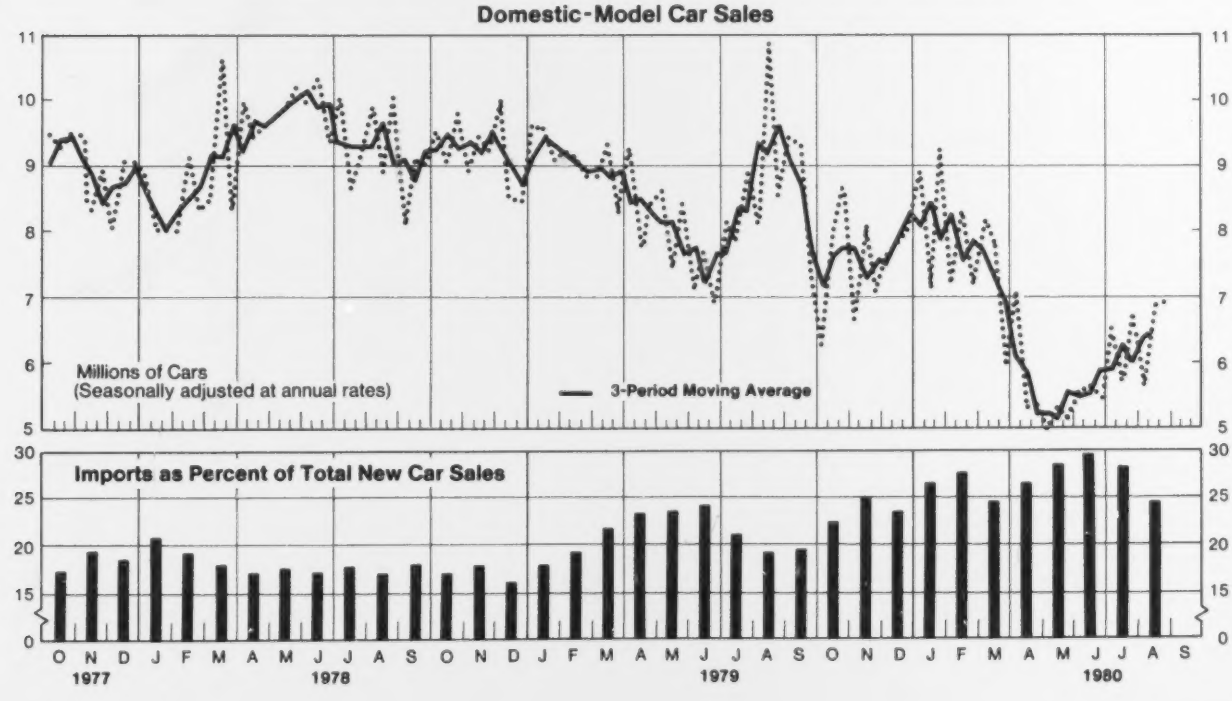


CONFERENCE BOARD ESTIMATES OF NEW AUTO SALES, BY 10-DAY PERIODS

Millions, Seasonally Adjusted at Annual Rate

Periods		1977	1978	1979	1980
January:	1-10	9.25	8.86	9.60	8.97
	11-20	9.51	8.03	9.55	7.19
	21-31	8.68	8.03	9.11	9.23
February:	1-10	9.83	8.00	9.20	7.28
	11-20	8.20	9.15	9.13	8.28
	21-28(29)	9.10	8.35	8.82	7.20
March:	1-10	9.86	8.49	8.83	8.11
	11-20	7.81	10.62	9.32	7.84
	21-31	9.69	8.32	8.29	5.98
April:	1-10	7.88	9.96	9.28	7.05
	11-20	9.25	9.44	7.79	5.27
	21-30	9.00	9.64	8.48	5.38
May:	1-10	9.21	9.72	8.52	4.95
	11-20	8.84	9.85	7.41	5.28
	21-31	9.04	10.22	8.41	5.15
June:	1-10	9.75	9.94	6.98	5.57
	11-20	9.31	10.38	7.59	5.60
	21-30	9.60	9.36	6.83	5.41
July:	1-10	9.25	10.04	8.08	6.54
	11-20	8.30	8.69	7.79	5.67
	21-31	9.18	9.15	8.83	6.71
August:	1-10	9.26	9.89	8.08	5.63
	11-20	9.38	8.89	10.76	6.85
	21-31	9.62	10.07	8.47	6.92
September:	1-10	9.60	8.14	9.44	
	11-20	9.14	9.07	9.34	
	21-30	8.31	9.02	7.26	
October:	1-10	9.45	9.57	6.24	
	11-20	9.31	9.08	8.04	
	21-31	9.50	9.82	8.64	
November:	1-10	9.46	8.92	6.65	
	11-20	8.34	9.44	8.07	
	21-30	8.91	9.24	7.08	
December:	1-10	8.06	10.00	7.63	
	11-20	9.07	8.57	7.83	
	21-31	9.07	8.41	8.06	

Note: Dealer sales exclude exports and foreign-model cars (unless manufactured domestically). Data from Ward's Automotive Reports are seasonally adjusted by The Conference Board.


Domestic-Model Car Sales
Millions of Cars
(Seasonally adjusted at annual rates)
3-Period Moving Average
Imports as Percent of Total New Car Sales
O N D J F M A M J J A S O N D J F M A M J J A S O N D J F M A M J J A S
1977
1978
1979
1980